

# Global Giving: The Culture of Philanthropy

A white paper in co-operation with Ledbury Research

November 2010



# Executive Summary

The role of the wealthy in philanthropic giving is well documented and is likely to become increasingly influential, particularly in an age of spending cuts. The good news is that philanthropy across the world among high net worth individuals looks set to increase – with individuals looking likely to donate more in terms of both money and time.

This study plots these attitudes toward giving on an international basis, providing the first snapshot into philanthropy globally. Based on a 2010 survey of 2,000 millionaires across the world, this study uncovers key differences in behavior, the attitudes driving the wealthy to give in some of the leading nations and the emerging trends in international philanthropy among high net worth donors.

# Some Key Findings Are:

- Almost a quarter of high net worth individuals (HNWIs) globally say charity is a top spending priority.
- The U.S., Ireland, South Africa and India lead the way in terms of donating both money and time.
- The U.K. and Qatar emerge as “Volunteer” donors, donating time rather than money.
- Philanthropy has a bright future, with 44% of respondents more likely to make charity a spending priority when they retire. The amount of time allocated to charity is set to increase by 194%.
- Men are more active philanthropists in developed countries, but in emerging countries women take the lead.
- Taken by region, developing countries are the second most likely to give money after North America.

# Chapter 1: The Global Philanthropic Rankings

While the concept of philanthropy is universal, the ways in which people choose to give are not. High net worth individuals often choose to devote a portion of their resources to causes that are meaningful to them. However, the resources they choose can take the form of either money or time – or a combination of both. This study looked at each element separately for HNWI in over twenty countries around the world.

## Money Allocated – The “Benefactors”

Of the nationalities surveyed, the wealthy in the U.S. are the most generous with their philanthropic spending. Two in every five HNWI in the U.S. consider charity as one of their top spending priorities. South Africa, Saudi Arabia, Ireland and Taiwan make up the remainder of the top five.

**Chart 1: Top 15 Wealthy “Benefactor” Donors (Money Spent)**  
(% who say it is one of their top three spending priorities)

1.	U.S.	41%
2.	South Africa	37%
3.	Saudi Arabia	32%
4.	Ireland	30%
5.	Taiwan	28%
6.	India	26%
7.	South America	25%
8.	Switzerland	24%
9.	U.A.E.	23%
10.	Singapore	23%
11.	Spain	21%
12.	Australia	20%
13.	Qatar	19%

Source: Ledbury Research

14. U.K.	18%
15. Hong Kong	16%
<b>Average</b>	<b>23%</b>

## Time Allocated – The “Volunteers”

Turning to the amount of time currently devoted to philanthropy, the wealthy in Ireland and India were found to be the most inclined to spend more than five hours per week on charity, with one in five claiming to do so.

**Chart 2: Top 15 Wealthy “Volunteer” Donors (Time Spent)**  
(% who currently spend > five hours per week on charity)

1. Ireland	20%
2. India	20%
3. U.S.	17%
4. South Africa	13%
5. Qatar	11%
6. U.K.	10%
7. Hong Kong	10%
8. U.A.E.	9%
9. Switzerland	9%
10. Taiwan	8%
11. Saudi Arabia	6%
12. South America	6%
13. Monaco	6%
14. Japan	5%
15. Australia	5%
<b>Average</b>	<b>10%</b>

Source: Ledbury Research

## “The Go-Givers”

Taking the two components of money and time together, we have plotted the results to create an overall picture of activity in philanthropy among HNWI's across the globe. As demonstrated in Chart 3, respondents in Ireland, India, the U.S. and South Africa all fall into the top quadrant and are recognized as HNWI's who are engaged both in terms of money spent and time given to charities – “The Go-Givers.” In other areas such as South America, Taiwan and Saudi Arabia, the wealthy prefer to donate money – “Benefactor Donors,” while the wealthy in countries such as the U.K. and Qatar are more inclined to donate time – “Volunteer Donors.”

### **Emma Turner, Director of Client Philanthropy at Barclays Wealth comments:**

“Other research you often see in this area is focused solely on one or the other of these factors; for example the amounts of money donors are giving to charity, or how much time volunteers are spending supporting causes. It is rare to see these two indicators measured together, and many of these regional results are surprising. This data provides a real sense of how the global community is really engaging with philanthropy – above and beyond simply donating money.

“This chimes with the findings of our ‘Tomorrow’s Philanthropist’ report, which showed that a new breed of wealthy philanthropists is emerging, who are more socially aware and motivated to give back to the communities they came from, as well as to global causes. These givers are increasingly engaging in ‘go-giving,’ as they seek not just to support charities with monetary donations, but also by providing their time and expertise to benefit causes.”

“These givers are increasingly engaging in ‘go-giving,’ as they seek not just to support charities with monetary donations, but also by providing their time and expertise to benefit causes.” Emma Turner, Director of Client Philanthropy at Barclays Wealth

**Chart 3: Charitable Engagement**



Source: Ledbury Research

# Chapter 2: The Rules of Engagement

In order to gain an understanding of what is behind the findings and why HNWIs in some countries are more involved than others, we spoke to philanthropy experts from each of the countries that ranked the highest: Ireland, India, South Africa and the U.S. These experts were able to give us valuable insight into the underlying drivers of philanthropy among HNWIs in their respective countries.

## **Emma Turner says:**

“It is interesting and surprising to see which nationalities are significantly engaged in philanthropy, using both money and time as indicators. It is clear that philanthropy forms a significant part of the culture of these countries, and not only is it fascinating to learn some of the cultural nuances behind the reasons that these populations give, and in high quantities, but it is also important that these findings raise awareness of them. Some of these countries have previously been ‘below the radar’ in philanthropic terms and hopefully this is a first step in putting them on the map, and just the start of learning more about the regional factors around the world that are driving philanthropic engagement; in terms of both money and time.”

## **Ireland: The Big Village Effect**

Philanthropy among the wealthy tends to be carried out at a very local level in Ireland. Niall O’Sullivan of the Community Foundation for Ireland attributes this to the strong sense of community that still prevails, which in turn is largely facilitated by the size of the country and population.

“Some people refer to Ireland as a ‘big village’ – a village where everyone knows each other – and in that context it’s easier to ask people to get involved.”

This sense of community and the role it plays in philanthropy extends to the wealthy too. As the majority of wealth in Ireland is relatively new, class segregation is less pronounced, resulting in HNWIs remaining very connected with the broader society.

“Wealth in Ireland is to a large degree only one step removed from working or middle class. A lot of wealthy people are still very connected to their grassroots, be it through sport or through their friends at school who weren’t brought up with rarefied or privileged backgrounds. I think the wealth in Ireland is more connected to the man on the street.”

This has very positive implications for philanthropy as it means that HNWI’s are more likely to have personal connections with the local community or a cause to which they will then contribute.

## India: Crossing the Divide

Deval Sanghavi of non-profit organization, Dasra, talks of a strong tradition of philanthropy in India. A large proportion of HNWI’s are part of family businesses, and upon retirement the patriarch of the family takes on charity functions as a matter of course. This has grown in part from the huge disparity of wealth which pervades India. The omnipresence of poverty throughout India means that it is virtually impossible to avoid seeing it, resulting in HNWI’s having a strong sense that they must do as much as they can to combat the problem.

“In India in particular you are very cognizant of the divide between the have and the have-nots. You see it on a regular basis and I think that in itself for most drives this mentality of giving more.”

A lack of state support in providing essential services is another key factor driving philanthropy among the wealthy in India today. Many believe that the government is not capable of providing the basic infrastructure requirements and feel that if they personally don’t do something about it, it will not get done.

“There is more of a perceived need for funding or starting your own non-profit because you don’t have that government ‘net,’ whether it is aid, quality education, healthcare, roads, water, etc. I don’t think anyone in the country, rich or poor, would assume that the government has the ability to provide all these resources.”

## South Africa: Philosophy of Ubuntu

Community plays an important role in philanthropy among the wealthy in South Africa. According to Colleen du Toit of the Charities Aid Foundation South Africa, this takes the form of a “deep-seated and very heart-felt philosophy” called Ubuntu. Ubuntu broadly means to care about one’s fellow human beings and is based on generosity and altruism. While always a part of South African culture, Ubuntu has been rejuvenated since the end of Apartheid, particularly among newly wealthy black business people.

“Ubuntu is a traditional philosophy, but it has been rejuvenated... particularly since the end of Apartheid, when all kinds of legislation was passed to fast-track black participation in the economy. When that happened, things like Ubuntu were promoted by business people and intellectuals, and as one of the tenets of black business.”

Inequality between rich and poor in South Africa is the second driving force behind philanthropy. As is the case in India, the wealthy in South Africa feel compelled to do something to help bridge the divide in society through philanthropy.

“This is a very, very unequal society. We have massive wealth and we have even more massive poverty so I think the drivers of these things are very complex. They go from plain guilt to wanting to uplift the economy, and knowing that the only way to get people working, participating and out of poverty, is to care for your fellow human being.”

## United States: Creative Optimism in the DNA

The motivations for philanthropy among the wealthy in the U.S. today are multi-faceted. Melissa Berman of Rockefeller Philanthropy Advisors dates the start of this “very powerful tradition” back to a time when there were few government institutions providing community services. While this has clearly changed and the infrastructure in the U.S. is now among the most developed in the world, the values have retained currency. Shedding light on this, Melissa talks about individualism in U.S. society and how this lends itself to philanthropy.

“Americans tend to be much more optimistic about the creativity and innovation of individuals to solve problems and make change, than they are about the ability of large institutions, including government. So we have this bias toward individual action. Rather than feeling that this is the responsibility of the public sector, people in the U.S. have a much more individualistic approach, they volunteer personally.”

The public nature of philanthropy in the U.S. today combined with the heightened media attention it has been receiving over the past 10 years also means that many wealthier families are becoming increasingly uncomfortable with leaving entire fortunes to their children. Wanting to instill these values of giving in their children, wealthy families are incorporating philanthropy into their lives at an earlier stage than before.

“It’s becoming an expectation of most wealthy families that philanthropy should be a part of their life, and at a relatively young age, not just in retirement or through their wills. I think there’s also a growing enthusiasm for the idea of involving the next generations in philanthropy; that’s very important as wealthy Americans look to pass down their values as well as some of their assets.”

To a lesser extent, the distinctly American trait of feeling “lucky” to have achieved success is another factor influencing philanthropy among the wealthy. Believing that everyone has the same capacity for success but not the same opportunities, the wealthy in the U.S. want to help provide prospects for others who may not be as fortunate.

There are a number of key drivers across the four leading countries studied, which can be summarized as four distinct themes in the table below: A strong community philosophy (as best seen in Ireland and South Africa), less reliance on the state for support (India and the U.S.), a highly visible disparity of wealth (India and South Africa) and the sense of empowered individualism (the U.S.).

**Chart 4: Key Themes and Their Influence on Driving Philanthropy Among HNWI**

	Community Philosophy	Less Reliance on State	Visible Disparity of Wealth	Individualism
Ireland	Strong	Weak	Weak	Medium
India	Medium	Strong	Strong	Weak
South Africa	Strong	Medium	Strong	Weak
U.S.	Medium	Strong	Weak	Strong

Source: Ledbury Research

# Chapter 3: Regional Drivers

Factors such as demographics and backgrounds have a bearing on the wealthy's attitude and engagement with philanthropy. Looking across the regions, and the age and gender of the wealthy, two trends emerge:

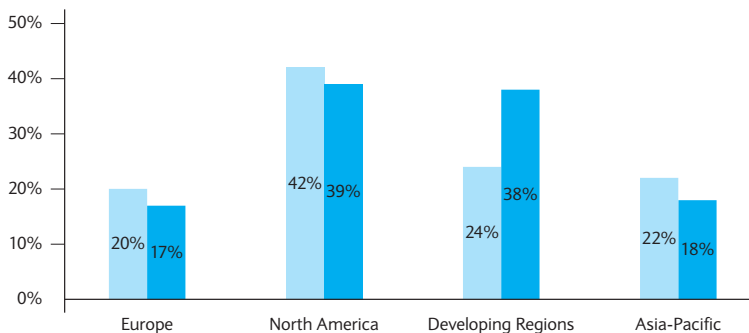
- First, men in developed countries tend to be more active than women in both aspects of philanthropy, money and time. On the other hand, it is wealthy women in the developing regions who are driving the growth of philanthropy.
- Second, young wealthy are not as engaged in philanthropy as their elder compatriots.

## Men in Developing Countries More Generous Than Women

The individual countries in the study were categorized into one of four regions: Europe, North America, Asia-Pacific and Developing Regions. The last region mainly comprised developing South American countries as well as South Africa and the Middle East.

Men in Europe, North America and Asia-Pacific are more involved in charity than women in these regions. As the chart below shows, only in Developing Regions is charity a higher spending priority among women. Traditional values still prevail in these developing societies where women take on the role of homemaker and caregiver.

**Chart 5: % of Men and Women for Whom Charity is one of the Top Three Spending Priorities in Global Regions**



Men Woman

Source: Ledbury Research

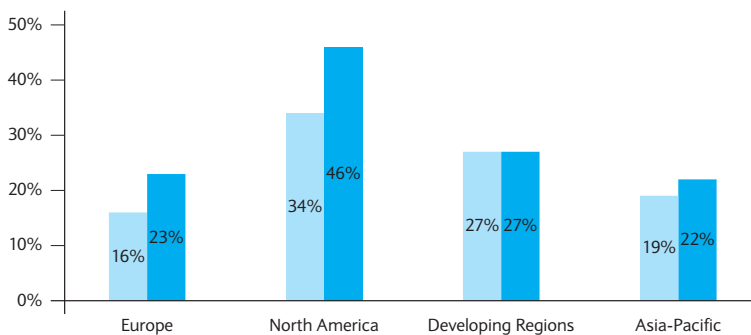
The second finding is that the propensity for HNWI in the Developing Regions to give money is second only to the U.S., with charity being more of a spending priority for both men and women in the region than across Europe and Asia-Pacific. This is an encouraging sign, and suggests that as these developing nations grow in wealth, so too might the tendency to donate money to charity.

Looking at time spent, men in developed economies (Europe, North America and Asia-Pacific) also tend to spend more time on charity than their female counterparts. However, 19% of wealthy women in the Developing Regions (Africa, the Middle East, and South and Central America) spend more than five hours a week on charitable endeavors, compared to just 7% of wealthy men in their region, or only 7% of wealthy European women.

### Charity is a Spending Priority for Older Age Groups

Those aged over 55 years have a greater tendency to make charity one of their top three spending priorities. The difference is most pronounced in North America and Europe, where the older age groups are more likely to have philanthropy as a spending priority; younger wealthy women in Europe are the least inclined (9%) and North American men over 55 are the most inclined (48%).

**Chart 6: % For Whom Charity is One of the Top Three Spending Priorities by Age Group**



Under 55 Over 55

Source: Ledbury Research

# Conclusion

## **According to Emma Turner, Director of Client Philanthropy at Barclays Wealth:**

“The days of simply ‘writing a check and walking away’ are fading fast. This study highlights the importance of measuring philanthropic activity not just in monetary terms, but by time given too. These factors are of equal importance and often go hand-in-hand. But there is also a relationship between the two – donors may start their philanthropic journey by giving up their time to support a charity, but this may lead to financial giving as well. Equally, this can also work the other way round, with financial donors going on to support charities with their time.”

For instance, while Ireland, India, South Africa and the U.S. were consistently ranked at the top of both indicators, the partiality for wealthy individuals in the Developing Regions to donate money is extremely high, with charity being more of a spending priority than it is across Europe and Asia-Pacific. As these regions continue to mature in wealth, they may continue to develop in their tendencies toward donating to charity, eventually transitioning into “Go-Givers.”

## **Emma Turner continues:**

“It will be interesting to see whether this is a trend we see developing in those global regions that currently sit in the ‘Volunteer’ area we have identified. By re-evaluating global philanthropy in this way we are given a unique indication of the true measure of a country’s philanthropic culture, and how we might encourage this engagement in the future.”

There are a number of drivers behind charitable contributions, whether it be a sense of commitment to the community or a sense of social responsibility, but as this report shows, active philanthropy is becoming more ingrained and part of the norm in cultures across the globe, whether it be through the gift of time, money or both.

## Legal note

While every effort has been taken to verify the accuracy of this information, neither Ledbury Research nor Barclays Wealth can accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in the report.

This document is intended solely for informational purposes, and is not intended to be a solicitation or offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service.

## Contact us

For more information please e-mail [Barclayswealthcommunications@barclayswealth.com](mailto:Barclayswealthcommunications@barclayswealth.com)

[www.barclayswealthamericas.com](http://www.barclayswealthamericas.com)

This item can be provided in Braille, large print or audio. You can order additional copies online via the “contact us” section of our Web site [www.barclayswealthamericas.com](http://www.barclayswealthamericas.com) or dial +44 1624 684 444.\*

Lines are open from 8 AM to 6 PM U.K. time Monday to Friday.

**\*Calls may be recorded so that we can monitor the quality of our service and for security purposes. Call costs may vary, please check with your telecommunications provider.**

Barclays Wealth is the wealth management division of Barclays Bank PLC, functioning through Barclays Capital Inc. in the United States. Barclays Capital Inc., an affiliate of Barclays Bank PLC, is a U.S. registered broker-dealer and regulated by the Securities & Exchange Commission. Member SIPC.

© Barclays Wealth 2010. All rights reserved.